

STATE OF NEW YORK

4427

2025-2026 Regular Sessions

IN SENATE

February 4, 2025

Introduced by Sen. ASHBY -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to a business tax credit for purchase of data breach insurance; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 210-B of the tax law is amended by adding a new
2 subdivision 61 to read as follows:

3 61. Data breach insurance credit. (a) A taxpayer that is a business or
4 owner of a business shall be allowed a credit against the tax imposed by
5 this article equal to twenty-five percent of the premium paid during the
6 taxable year for qualified data breach insurance. For purposes of this
7 section, the term "qualified data breach insurance" means coverage
8 provided by an insurance company for expenses or losses in connection
9 with the theft, loss, disclosure, inaccessibility, or manipulation, of
10 data.

11 (b) In order to qualify for such credit, taxpayers shall adopt and be
12 in compliance with one of the following:

13 (1) Version 1.0 of the framework for improving critical infrastructure
14 cybersecurity published by the national institute of standards and tech-
15 nology as in effect on February twelfth, two thousand fourteen or subse-
16 quent versions or iterations; or

17 (2) Any similar standard specified by the state comptroller, after
18 consultation with the director of the office of information technology
19 services.

20 (c) In the case of insurance coverage under which amounts are payable
21 for other than expenses or losses described in paragraph (a) of this
22 subdivision:

23 (1) No amount shall be treated as premiums for qualified data breach
24 insurance unless the charge for such insurance is either separately

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD08839-01-5

1 credit under subsection (ggg) sixty-one of section two hundred
2 ten-B

3 § 4. This act shall take effect immediately and shall apply to taxable
4 years beginning on and after the first of January next succeeding the
5 date on which it shall have become a law and shall remain in effect for
6 five years after it shall have become a law, when upon such date the
7 provisions of this act shall expire and be deemed repealed.